

State of Indiana
Family and Social Services Administration

Budget Committee Forecast Presentation

Data through October 31, 2012

Presented by

Robert M. Damler, FSA, MAAA

Principal and Consulting Actuary

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Status Quo Forecast

- Reflects data through October 31, 2012
- Program Assumptions
 - Healthy Indiana Plan scheduled to expire December 31, 2013
 - Transition to 1634* projected, effective January 1, 2014
 - Elimination of Spend Down program*
 - Transition of most dual eligible spend down recipients to the Medicare Savings Program
 - Increase the disabled eligibility threshold to 100% FPL*
 - Does NOT include increase in Medicare Savings Program thresholds* or implementation of a 1915(i) for MRO service recipients
- Reimbursement Assumptions
 - Hospital Assessment Fee reflected through SFY 2015*
 - Current savings initiatives projected to expire June 30, 2013

*Legislation Required

Status Quo Forecast – ACA

- ACA Changes reflected in this Forecast
 - Non-expansion (woodwork) enrollment growth – January 2014
 - 92,000 net additional enrollees
 - Transitioning pregnant women from Medicaid to premium tax credits on the exchange* (between 150% FPL and 200% FPL)
 - Primary care temporary fee schedule increase to 100% of the Medicare fee schedule, effective January 1, 2013 through December 31, 2014 - No fiscal impact to the State through 2014
 - Health Insurance Tax on Managed Care
- ACA Changes *not* reflected in this Forecast
 - Optional Medicaid expansion* to 133% FPL as of January 1, 2014
 - Physician Fee Schedule Increase after 2014*
 - All other ACA provisions and likely effects

December 2012 Medicaid Assistance Forecast

EXPENDITURES	FY 2012	<i>Growth</i>	FY 2013	<i>Growth</i>	FY 2014	<i>Growth</i>	FY 2015
Fee for Service	\$2,763.5	19.2%	\$3,293.6	14.6%	\$3,774.4	9.1%	\$4,118.7
Capitation Payments and PCCM Fees	951.7	130.1%	2,190.0	(12.0%)	1,927.9	10.4%	2,127.5
Healthy Indiana Plan	254.1	0.4%	255.1	(52.3%)	121.8	(93.4%)	8.1
Long Term Care Institutional Care	1,477.8	17.1%	1,730.3	(1.5%)	1,704.4	(4.0%)	1,636.8
Long Term Care Community Care	624.3	15.4%	720.2	27.1%	915.1	21.8%	1,114.8
Medicare Buy-In, Clawback	307.4	3.7%	318.8	9.8%	350.0	8.7%	380.6
Medicaid Rehabilitation Option	201.9	9.0%	220.1	13.0%	248.8	10.0%	273.6
Rebates and Collections	(398.3)	(5.1%)	(377.9)	1.4%	(383.1)	16.0%	(444.4)
Remove CHIP, HIP, MFP, CA-PRTF	(407.3)	1.1%	(411.7)	(29.3%)	(291.0)	(35.0%)	(189.1)
Other Expenditures (DSH, UPL, etc.)	720.4	90.1%	1,369.6	(48.2%)	709.2	0.7%	713.9
Medicaid Expenditures (State and Federal)	\$6,495.5	43.3%	\$9,308.2	(2.5%)	\$9,077.6	7.3%	\$9,740.5
FUNDING							
Federal Funds	4,243.7	44.5%	6,131.6	(2.2%)	5,994.3	7.4%	6,437.7
DSH	42.5	424.8%	222.9	(56.7%)	96.5	0.2%	96.7
IGTs	424.9	7.4%	456.5	(19.9%)	365.6	2.5%	374.8
Provider Tax Receipts and HAF Transfer	356.3	154.8%	907.8	(18.4%)	740.6	5.7%	782.9
QAF Transfer to SBA	(23.6)	150.0%	(59.0)	(17.1%)	(48.9)	0.0%	(48.9)
Non-Medicaid Assistance Funds	\$5,043.8	51.9%	\$7,659.9	(6.7%)	\$7,148.2	6.9%	\$7,643.2
Forecasted Medicaid GF Assistance Need	\$1,451.7	13.5%	\$1,648.3	17.1%	\$1,929.4	8.7%	\$2,097.3
General Fund Medicaid Assistance Appropriation	\$1,716.5	9.7%	\$1,882.5				
Sub-total (Shortfall)/Surplus	\$264.8		\$234.2				

Enrollment Forecast - SFY 2012 – SFY 2015

Average Monthly Enrollment - Data through October 31, 2012

Average Monthly Enrollment	FY 2012	<i>Growth</i>	FY 2013	<i>Growth</i>	FY 2014	<i>Growth</i>	FY 2015
ADULTS AND CHILDREN							
Adults	112,076	1.4%	113,603	7.0%	121,501	6.4%	129,323
Children	552,300	2.1%	563,882	9.0%	614,419	8.3%	665,477
Mothers	28,960	0.5%	29,118	(6.1%)	27,355	(6.4%)	25,595
CHIP	85,183	(2.3%)	83,215	2.1%	84,973	2.0%	86,673
Healthy Indiana Plan	41,103	0.1%	41,155	(50.3%)	20,463	(100.0%)	0
Total Adults and Children	819,622	1.4%	830,973	4.5%	868,711	4.4%	907,068
AGED, BLIND AND DISABLED							
Institutionalized	35,018	0.7%	35,273	(3.2%)	34,161	(4.9%)	32,487
Waiver	21,620	13.7%	24,587	20.7%	29,686	14.7%	34,057
No Level of Care							
Dual	89,809	13.5%	101,903	(11.0%)	90,671	(16.8%)	75,412
Care Select	34,500	(3.8%)	33,181	5.7%	35,066	4.1%	36,506
Other Non-Dual	59,134	14.9%	67,969	11.1%	75,507	8.6%	81,983
Medicare Savings Program	31,890	(13.1%)	27,719	42.2%	39,431	32.1%	52,107
Total Aged, Blind, and Disabled	271,971	6.9%	290,633	4.8%	304,521	2.6%	312,553
OVERALL TOTAL	1,091,592	2.7%	1,121,606	4.6%	1,173,232	4.0%	1,219,621

Long Term Trend Assumptions

Cost trends include both Utilization and Intensity

	<u>Trend</u>		<u>Trend</u>
Baseline Enrollment Growth		Mental Health Rehabilitation	2.5%
TANF Adults	1.0%	PRTF Services	3.0%
Children and CHIP	2.5%/2.0%	Long Term Care & Waiver Services	
Pregnant Women	1.5%	Hospice	3.0%
Aged and Disabled	Current Growth Rates	Nursing Facility	3.0%
	Grading down to 2% to 4%	ICF/ID	3.0%
Non-Long Term Care Services		HCBS Waiver Services	1.0%/3.0%
Hospital Services		Other Expenditures	
Inpatient Hospital	3.0%	Medicare Buy-In	3.0%
Outpatient Hospital	5.0%	Medicare Part D Clawback	4.7%/4.9%
Rehabilitation Facility	2.5%	Pharmacy Rebates	As with Rx
Non-Hospital Services		CHIP II and MedWorks Premiums	0.0%
Physician Services	2.5%	Nursing Facility Quality Assessment Fee	1.5%
Lab and Radiology Services	2.5%	ICF/ID Assessment Fee	0.0%
Other Practitioner Services	2.5%	Other Payments	0.0%
Clinic Services	2.5%	Capitation Payments and PCCM Fees	
DME/Prosthetics	2.5%	Capitation Payments	3.5%
Medical Supplies	2.5%	Kick Payments	ending
Transportation	2.5%	PCCM Fees	3.0%
Other Non-Hospital	2.5%	Healthy Indiana Plan	
Pharmacy	7% to 6%	HIP Capitation Payments	3.5%
Dental Services	3.0%	HIP Pharmacy/Supplies Carve-Outs	As with Rx
Home Health Services	10% /5%	HIP Pharmacy Rebates	As with Rx
First Steps	2.5%	HIP POWER Accounts	0.0%
Inpatient Psychiatric Services	3.0%		
Other Mental Health Services	3.0%		

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The services provided for this project were performed under the contract between Milliman and FSSA approved May 14, 2010.